In the Claims:

1. (Original) An item dispensing system comprising:

a plurality of item dispensers located at different retail locations, each of the item dispensers comprising

a fault store which stores

a fault threshold representing an operating state of the item dispenser, and

a fault having two states; and

a controller in electrical communications with the item dispenser and the fault store, the controller

switching the fault to a first state in response to detecting the operating state of the item dispenser represented by the fault threshold, and

producing an alarm in response to detecting only a deterioration of the fault; and

a host computer located geographically remotely from the retail locations, the host computer being in electrical communications with, and receiving the alarm from, the controller.

2. (Original) The item dispensing system of claim 1 wherein the controller produces an alarm in response to detecting the first state of the fault.

3. (Original) An item dispensing system comprising:

a plurality of item dispensers located at different retail locations, each of the item dispensers comprising

a bill acceptor adapted to accept bills,

a fault store which stores

a fault threshold representing a stored number smaller than a number of bills storable in the bill acceptor, and

a fault being switchable to a first state in response to the bill acceptor storing a number of bills at least equal to the stored number, and

a controller in electrical communications with the item dispenser, the fault store and the bill acceptor, the controller producing an alarm in response to detecting only a deterioration of the fault; and

a host computer located geographically remotely from the retail locations, the host computer being in electrical communications with, and receiving the alarm from, the controller.

4. (Presently Amended) An item dispensing system comprising:

a plurality of item dispensers located at different retail locations, each of the item dispensers comprising

a coin acceptor adapted to accept coins,

a fault store which stores

a fault threshold representing a stored number smaller than a number of coins storable in the coin acceptor, and

a fault being switchable to a first state in response to the coin acceptor storing a number of coins at least equal to the stored number, and

a controller in electrical communications with the item dispenser, the fault store and the coin acceptor, the controller producing an alarm generated in response to detecting only a deterioration of the [fualt] fault; and

a host computer located geographically remotely from the retail locations, the host computer being in electrical communications with, and receiving the alarm from, the controller.

5. (Original) An item dispensing system comprising:

a plurality of item dispensers located at different retail locations, each of the item dispensers comprising

a cash acceptor,

a fault store which stores

a fault threshold representing a stored value smaller than a desired total cash value to be stored in the cash acceptor, and

a fault being switchable to a first state in response to the cash acceptor storing a total cash value at least equal to the stored value; and

a controller in electrical communications with the item dispenser, the fault store and the cash acceptor, the controller producing an alarm in response to detecting only a deterioration of the fault; and

a host computer located geographically remotely from the retail locations, the host computer being in electrical communications with, and receiving the alarm from, the controller.

6. (Original) The item dispensing system of claim 5 further comprising a printer in electrical communications with the controller.

7. (Original) The item dispensing system of claim 5 wherein the controller produces an alarm in response to detecting the first state of the fault.

8. (Original) An item dispensing system comprising:

a plurality of item dispensers located at different retail locations, each of the item dispensers comprising

a fault store which stores

first and second fault thresholds representing respective first and second numbers smaller than a number of items dispensable by first and second item dispensers, respectively, and

first and second faults being switchable to a first state in response to the first and second item dispensers dispensing a number of items at least equal to the first and second numbers, respectively, and

a controller in electrical communications with the item dispenser and the fault store, the controller producing an alarm in response to detecting only a deterioration of both of the first and second fault states; and

a host computer located geographically remotely from the retail locations, the host computer being in electrical communications with, and receiving the alarm from, the controller.

9. (Original) The item dispensing system of claim 8 wherein the controller produces the alarm in response to the first and second faults being switched to their respective first and second fault states.

10. (Original) An item dispensing system comprising:

a plurality of item dispensers located at different retail locations, each of the item dispensers comprising

a fault store which stores

a plurality of fault thresholds, each fault threshold representing a first number smaller than a maximum number of items dispensable by a respective item dispenser, and

a plurality of faults, each fault being switchable to a respective first state in response to a respective item dispenser dispensing a number of items at least equal to the first number, and

a controller in electrical communications with the item dispenser and the fault store, the controller producing an alarm in response to detecting a predetermined number of the faults being switched to deteriorated states; and

a host computer located geographically remotely from the retail locations, the host computer being in electrical communications with, and receiving the alarm from, the controller.

11. (Original) The item dispensing system of claim 10 wherein the controller produces the alarm in response to the predetermined number of the faults being switched to their respective first states.

12. (Original) An item dispensing system comprising:

a plurality of item dispensers located at different retail locations, each of the item dispensers comprising

a fault store which stores a fault threshold and a fault; and

a controller which independently operates the item dispenser and providing data relating to items dispensed by the item dispenser, the controller being in electrical communications with the item dispenser and the fault store, and the controller producing an alarm in response to detecting a change of state of the fault;

a host computer located geographically remotely from the retail locations, the host computer being in electrical communications with, and receiving the alarm and the data relating to items dispensed by the item dispensers from the controller; and

another computer located geographically remotely from the retail locations and the host computer, the other computer in electrical communications with the host computer for receiving data relating to items dispensed at one of the retail locations.

13. (Original) The item dispensing system of claim 12 wherein the controller produces an alarm in response to detecting a deterioration of the fault.

14. (Original) The item dispensing system of claim 12 further comprising a fault store for storing

a fault threshold representing an operating state of the item dispenser, and

a fault having two states.

15. (Original) The item dispensing system of claim 14 wherein the controller

switches the fault to a first state in response to detecting the operating state of the item dispenser represented by the fault threshold, and

produces the alarm in response to detecting only a deterioration of the fault.

16. (Original) The item dispensing system of claim 15 wherein the controller produces the alarm in response to detecting the first state of the fault.

17. (New) A lottery ticket dispensing system, comprising:

a plurality of lottery ticket dispensers located at different retail locations, each of the lottery ticket dispensers comprising

a fault store which stores a fault threshold representing an operating state of the lottery ticket dispenser,
and a fault having two states;

a controller in electrical communications with the lottery ticket dispenser and the fault store, the controller switching the fault to a first state in response to detecting the operating state of the lottery ticket dispenser represented by the fault threshold, and producing an alarm in response to detecting only a deterioration of the fault; and

a host computer located geographically remotely from the retail locations, the host computer being in electrical communication with, and receiving the alarm from, the controller.

18. (New) The system of claim 17, wherein the lottery ticket dispenser further includes
a storage unit storing instant win lottery tickets in a continuous strip, and
a separator for separating an instant win lottery ticket from the continuous strip in response to a player request to purchase an instant win lottery ticket.

19. (New) The system of claim 18, wherein the controller produces an alarm in response to detecting the first state of the fault.

20. (New) A lottery ticket dispensing system, comprising:

a plurality of lottery ticket dispensers located at different retail locations, each of the lottery ticket dispensers comprising

a bill acceptor adapted to accept bills,

a fault store which stores a fault threshold representing a stored number smaller than a number of bills storable in the bill acceptor, and

a fault being switchable to a first state in response to the bill acceptor storing a number of bills at least equal to the stored number, and

a controller in electrical communications with the lottery ticket dispenser, the fault store and the bill acceptor, the controller producing an alarm in response to detecting only a deterioration of the fault;

a host computer located geographically remotely from the retail locations, the host computer being in electrical communications with, and receiving the alarm from, the controller.

21. (New) The system of claim 20, wherein the lottery ticket dispenser further includes
a storage unit storing instant win lottery tickets in a continuous strip, and
a separator for separating an instant win lottery ticket from the continuous strip in response to a player request to purchase an instant win lottery ticket.

22. (New) A lottery ticket dispensing system, comprising:

a plurality of lottery ticket dispensers located at different retail locations, each of the lottery ticket dispensers comprising

a cash acceptor,

a fault store for storing which stores a fault threshold representing a stored value smaller than a desired total cash value to be stored in the cash acceptor, and

a fault being switchable to a first state in response to the cash acceptor storing a total cash value at least equal to the stored value; and

a controller in electrical communications with the lottery ticket dispenser, the fault store and the cash acceptor, the controller producing an alarm in response to detecting only a deterioration of the fault;

a host computer located geographically remotely from the retail locations, the host computer being in electrical communications with, and receiving the alarm from, the controller.

23. (New) The system of claim 22, wherein the lottery ticket dispenser further includes
a storage unit storing instant win lottery tickets in a continuous strip, and
a separator for separating an instant win lottery ticket from the continuous strip in response to a player request to purchase an instant win lottery ticket.

24. (New) The system of claim 22, further comprising:
a printer in electrical communications with the controller.

25. (New) The system of claim 22, wherein the controller produces an alarm in response to detecting the first state of the fault.

26. (New) A lottery ticket dispensing system, comprising:

a plurality of lottery ticket dispensers located at different retail locations, each of the lottery ticket dispensers comprising

a fault store which stores first and second fault thresholds representing respective first and second numbers smaller than a number of lottery tickets dispensable by first and second lottery ticket dispensers, respectively, and

first and second faults being switchable to a first state in response to the first and second lottery ticket dispensers dispensing a number of lottery tickets at least equal to the first and second numbers, respectively, and

a controller in electrical communications with the lottery ticket dispenser and the fault store, the controller producing an alarm in response to detecting only a deterioration of both of the first and second fault states; and

a host computer located geographically remotely from the retail locations, the host computer being in electrical communications with, and receiving the alarm from, the controller.

27. (New) The system of claim 26, wherein the lottery ticket dispenser further includes:

a storage unit storing instant win lottery tickets in a continuous strip, and

a separator for separating an instant win lottery ticket from the continuous strip in response to a player request to purchase an instant win lottery ticket.

28. (New) The lottery ticket dispensing system of claim 26, wherein the controller produces the alarm in response to either the first and second faults being switched to their respective first and second fault states.

29. (New) The lottery ticket dispensing system of claim 26, wherein the controller produces the alarm in response to both the first and second faults being switched to their respective first and second fault states.

30. (New) The lottery ticket dispensing system of claim 29, wherein the controller does not produce the alarm in response to only the first or only the second fault being switched to their respective first and second fault states.

31. (New) A lottery ticket dispensing system, comprising:

a plurality of lottery ticket dispensers located at different retail locations, each of the lottery ticket dispensers comprising

a fault store which stores a plurality of fault thresholds, each fault threshold representing a first number smaller than a maximum number of lottery tickets dispensable by a respective lottery ticket dispenser, and

a plurality of faults, each fault being switchable to a respective first state in response to a respective lottery ticket dispenser dispensing a number of lottery tickets at least equal to the first number, and

a controller in electrical communications with the lottery ticket dispenser and the fault store, the controller producing an alarm in response to detecting a predetermined number of the faults being switched to deteriorated states; and

a host computer located geographically remotely from the retail locations, the host computer being in electrical communications with, and receiving the alarm from, the controller.

32. (New) The system of claim 31, wherein the lottery dispenser further includes

a storage unit storing instant win lottery tickets in a continuous strip, and

a separator for separating an instant win lottery ticket from the continuous strip in response to a player request to purchase an instant win lottery ticket.

33. (New) The lottery ticket dispensing system of claim 31, wherein the controller produces the alarm in response to the predetermined number of the faults being switched to their respective first states.

34. (New) A lottery ticket dispensing system comprising:

a plurality of lottery ticket dispensers located at different retail locations, each of the

lottery ticket dispensers comprising

a fault store which stores a fault threshold and a fault; and

a controller which independently operates the lottery ticket dispenser and providing data relating to lottery tickets dispensed by the lottery ticket dispenser, the controller being in electrical communications with the lottery ticket dispenser and the fault store, and the controller producing an alarm in response to detecting a change of state of the fault;

a host computer located geographically remotely from the retail locations, the host computer being in electrical communications with, and receiving the alarm and the data relating to lottery tickets dispensed by the lottery ticket dispensers from the controller; and

another computer located geographically remotely from the retail locations and the host computer, the other computer in electrical communications with the host computer for receiving data relating to lottery tickets dispensed at one of the retail locations.

35. (New) The system of claim 34, wherein the lottery ticket dispenser further includes
a storage unit storing instant win lottery tickets in a continuous strip, and
a separator for separating an instant win lottery ticket from the continuous strip in response to a player request to purchase an instant win lottery ticket.

36. (New) The lottery ticket dispensing system of claim 34, wherein the controller produces an alarm in response to detecting a deterioration of the fault.

37. (New) The lottery ticket dispensing system of claim 34, further comprising:

a fault store for storing a fault threshold representing an operating state of the lottery ticket dispenser, and a fault having two states.

38. (New) The lottery ticket dispensing system of claim 34, wherein the controller

switches the fault to a first state in response to detecting the operating state of the lottery ticket dispenser represented by the fault threshold, and

produces the alarm in response to detecting only a deterioration of the fault.

39. (New) A lottery ticket dispensing system, comprising:

a plurality of lottery ticket dispensers located at different retail locations, each of the lottery ticket dispensers comprising

a fault store which stores a fault threshold representing an operating state of the lottery ticket dispenser,
and a fault having at least two states;

a controller in communication with the lottery ticket dispenser and the fault store, the controller switching the fault to a first state in response to detecting the operating state of the lottery ticket dispenser represented by the fault threshold, and producing an alarm in response

to detecting a deterioration of the fault; and

a host computer located geographically remotely from the retail locations, the host computer being in communication with, and receiving the alarm from, the controller.

40. (New) The system of claim 39 wherein the lottery dispenser further includes
a storage unit storing instant win lottery tickets in a continuous strip, and
a separator for separating an instant win lottery ticket from the continuous strip in response to a player request to purchase an instant win lottery ticket.

41. (New) The system of claim 39, wherein the alarm is received by the host from the controller in real time.

42. (New) The system of claim 39, wherein the alarm is received by the host from the controller in real time in batches transmitted at regular intervals.

43. (New) The system of claim 42, wherein the regular interval is daily.

44. (New) The system of claim 42, wherein the regular interval is once a shift.

45. (New) The lottery ticket dispensing system of claim 39, further comprising:
an alarm produced by the controller in response to detecting the first state of the fault.

46. (New) A lottery ticket dispensing system, comprising:

a plurality of lottery ticket dispensers located at different retail locations, each of the lottery ticket dispensers comprising

a bill acceptor adapted to accept bills,

a fault store which stores a fault threshold representing a stored number smaller than a number of bills storable in the bill acceptor, and

a fault being switchable to a first state in response to the bill acceptor storing a number of bills at least equal to the stored number, and

a controller in electrical communications with the lottery ticket dispenser, the fault store and the bill acceptor, the controller producing an alarm in response to detecting only a deterioration of the fault;

a host computer located geographically remotely from the retail locations, the host computer being in communication, and receiving the alarm from, the controller.

47. (New) The system of claim 46, wherein each of the plurality of lottery ticket dispensers has a respective controller, each lottery ticket dispenser and its respective controller co-located in a single cabinet.

48. (New) The system of claim 46, wherein more than one of the plurality of lottery ticket dispenser shares a common controller.

49. (New) The system of claim 48, wherein the common controller is co-located in a common cabinet with an at least one of the more than one of the plurality of lottery ticket dispensers.

50. (New) The system of claim 49, wherein a second at least one of the more than one of the plurality of lottery ticket dispensers is not located in the common cabinet.

51. (New) A lottery ticket dispensing system, comprising:

a plurality of lottery ticket dispensers located at different retail locations, each of the lottery ticket dispensers comprising

a cash acceptor,

a fault store for storing which stores a fault threshold representing a stored value smaller than a desired total cash value to be stored in the cash acceptor, and

a fault being switchable to a first state in response to the cash acceptor storing a total cash value at least equal to the stored value; and

a controller in communication with the lottery ticket dispenser, the fault store and the cash acceptor, the controller producing an alarm in response to detecting only a deterioration of the fault;

a host computer located geographically remotely from the retail locations, the host computer being in communication with, and receiving the alarm from, the controller.

52. (New) The lottery ticket dispensing system of claim 51, further comprising:
a printer in electrical communications with the controller.

53. (New) The lottery ticket dispensing system of claim 51, wherein the controller produces an alarm in response to detecting the first state of the fault.

54. (New) A lottery ticket dispensing system comprising:

a plurality of lottery ticket dispensers located at different retail locations, each of the lottery ticket dispensers comprising

a fault store which stores first and second fault thresholds representing respective first and second numbers smaller than a number of lottery tickets dispensable by first and second lottery ticket dispensers respectively, and

first and second faults being switchable to a first state in response to the first and second lottery ticket dispensers dispensing a number of lottery tickets at least equal to the first and second numbers, respectively, and

a controller in communication with the lottery ticket dispenser and the fault store, the controller producing an alarm in response to detecting only a deterioration of both

of the first and second fault states; and

a host computer located geographically remotely from the retail locations, the host computer being in communication with, and receiving the alarm from, the controller.

55. (New) The system of claim 54, wherein the first and second lottery ticket dispensers are located at the same geographic location.

56. (New) The system of claim 55, wherein the first and second lottery ticket dispensers are located in a common cabinet.

57. (New) The lottery ticket dispensing system of claim 54, wherein the controller produces the alarm in response to the first and second faults being switched to their respective first and second fault states.

58. (New) A lottery ticket dispensing system, comprising:

a plurality of lottery ticket dispensers located at different retail locations, each of the lottery ticket dispensers comprising

a fault store which stores a plurality of fault thresholds, each fault threshold representing a first number smaller than a maximum number of lottery tickets dispensable by a respective lottery ticket dispenser, and

a plurality of faults, each fault being switchable to a respective first state in response to a respective lottery ticket dispenser dispensing a number of lottery tickets at least equal to the first number, and

a controller in electrical communications with the lottery ticket dispenser and the fault store, the controller producing an alarm in response to detecting a predetermined number of the faults being switched to deteriorated states; and

a host computer located geographically remotely from the retail locations, the host computer being in electrical communications with, and receiving the alarm from, the controller.

59. (New) The lottery ticket dispensing system of claim 58, wherein the controller produces the alarm in response to the predetermined number of the faults being switched to their respective first states.

60. (New) A lottery ticket dispensing system, comprising:

a plurality of lottery ticket dispensers located at different retail locations, each of the lottery ticket dispensers comprising

a fault store which stores a fault threshold and a fault; and

a controller which independently operates the lottery ticket dispenser and provides data relating to lottery tickets dispensed by the lottery ticket dispenser, the controller being in

communication with the lottery ticket dispenser and the fault store, and the controller producing an alarm in response to detecting a change of state of the fault;

a host computer located geographically remotely from the retail locations, the host computer being in communication with, and receiving the alarm and the data relating to lottery tickets dispensed by the lottery ticket dispensers from the controller; and

another computer located geographically remotely from the retail locations and the host computer, the other computer in electrical communications with the host computer for receiving data relating to lottery tickets dispensed at one of the retail locations.

61. (New) The lottery ticket dispensing system of 60, wherein the controller produces an alarm in response to detecting a deterioration of the fault.

62. (New) The lottery ticket dispensing system of claim 60, further comprising:

a fault store for storing a fault threshold representing an operating state of the lottery ticket dispenser, and a fault having two states.

63. (New) The lottery ticket dispensing system of claim 62, wherein the controller

switches the fault to a first state in response to detecting the operating state of the lottery ticket dispenser represented by the fault threshold, and

produces the alarm in response to detecting only a deterioration of the fault.

64. (New) The lottery ticket dispensing system of claim 63, wherein the controller produces the alarm in response to detecting the first state of the fault.

65. (New) An instant lottery ticket vending machine comprising:
a controller;
a customer input device;
at least one storage unit containing instant lottery tickets;
an instant lottery ticket dispenser in communication with the controller, the controller independently controlling the instant lottery ticket dispenser to dispense an instant lottery ticket from the at least one storage unit in response to a customer request to purchase an instant lottery ticket received by the customer input device; and
an alarm produced by the controller in response to the deterioration of a state of the instant lottery ticket vending machine.

66. (New) The instant lottery ticket vending machine of claim 65, wherein the instant ticket dispenser includes
a lottery ticket separator in communication with the controller, the lottery ticket separator receiving from the at least one storage unit an instant lottery ticket joined to a continuous strip of instant lottery tickets and separating the lottery ticket from the continuous strip of instant lottery tickets.

67. (New) The instant lottery ticket vending machine of claim 65,

wherein the deterioration of the state of the instant lottery ticket vending machine occurs when the number of instant lottery tickets stored in the at least one storage unit is less than a predetermined threshold.

68. (New) The instant lottery ticket vending machine of claim 67, wherein the predetermined threshold is greater than one and less than the maximum number of instant lottery tickets which can be stored in the at least one storage unit.

69. (New) The instant lottery ticket vending machine of claim 65, further comprising
a network interface in communication with the controller, the controller transmitting the alarm via the network interface.

70. (New) The instant lottery ticket vending machine of claim 65, further comprising:
a cash acceptor in communication with the controller, and
wherein the deterioration of the state of the instant lottery ticket vending machine occurs when the total value of cash stored by the cash acceptor exceeds a predetermined threshold.

71. (New) The instant lottery ticket vending machine of claim 70, wherein
the predetermined threshold is less than the maximum amount of cash which can be stored in the cash acceptor.

72. (New) The instant lottery ticket vending machine of claim 65, further comprising:
a bill acceptor in communication with the controller, and
wherein the deterioration of the state of the instant ticket vending machine occurs when the number of bills accepted by the bill acceptor exceeds a predetermined threshold.

73. (New) The instant lottery ticket vending machine of claim 72, wherein
the predetermined threshold is less than the maximum number of bills which can be stored in the bill acceptor.

74. (New) A lottery ticket dispensing system for dispensing instant win lottery tickets, comprising:
a lottery ticket vending machine including
a controller, and
at least one storage unit containing instant win lottery tickets; and
a host computer located at a different geographic location than the lottery ticket vending machine, the host computer in communication with the controller, the controller sending a fault message towards the host computer when a fault occurs in the lottery ticket vending machine.

75. (New) The system of claim 74, further comprising:
a separator unit to separate an instant win lottery ticket from a continuous strip of instant win lottery tickets stored in the at least on storage unit.

76. (New) The system of claim 74,
wherein the fault is having fewer than a predetermined number of lottery tickets stored in the at least one storage unit.

77. (New) The system of claim 74, further comprising:

a cash acceptor, the cash acceptor in communication with the controller, and wherein the fault is having more than a predetermined value of cash in the cash acceptor.

78. (New) The system of claim 74, further comprising:

a bill acceptor, the bill acceptor in communication with the controller, and wherein the fault is having more than a predetermined number of bills in the bill acceptor.